

Business



KUWAIT: Sheikh Talal Khaled Al-Ahmad Al-Sabah, Isam Al-Sager, Salah Al-Fulaij, and a number of the bank's executive management during the opening of the branch.



NBK moves its Dasma branch to new location

Inauguration held in the presence of the capital governor and bank's top executive management

KUWAIT: In line with its commitment to provide top-notch advanced banking services to all customers, wherever they are, and its constant strides to strengthen its leading position in the banking sector, National Bank of Kuwait (NBK) has recently opened its new branch in Dasma area in the Capital Governorate.

The new branch opening was attended by Sheikh Talal Khaled Al-Ahmad Al-Sabah, the Governor of the Capital Governorate, Isam Al-Sager, NBK Group CEO, Salah Al-Fulaij, CEO of NBK - Kuwait, and a number of the bank's executive management.

The opening of the new Dasma Branch comes in line with NBK's strategy to be closer to its customers, meet their needs and expectations, and ensure offering them a top-notch banking experience. It is worth mentioning that NBK's new branches are on par with international standards, reflecting the radical changes we are making to the traditional branches concept, start-

ing with the design, interactive services and advanced banking solutions provided by the branch, to keep pace with the rapid developments in the banking industry.

All the changes introduced in the new branches reflect the expectations of NBK Customers with whom the bank is always in touch to identify their needs and aspirations, and ensure that they find what they asked for during their visit to the branch. NBK has been proactive in upgrading its branches to integrate with digital channels to offer its customers a richer and more inclusive experience that suits all their segments, and ensures making all their transactions anytime, anywhere, in a quick and easy way.

The bank always strives to provide its customers with more convenience, and to be closer to them across residential, commercial and shopping areas, as well as entertainment destinations.



In the new Dasma Branch, the professional team of employees will provide advisory services to customers without waiting. In addition, NBK Thahabi

Package and Privilege Banking Customers will have access to VIP meeting rooms that are designed to offer utmost convenience while their transactions are being processed. Dasma Branch incorporates two CDMs, in addition to two drive-through ATMs outside the branch, and also provides safe deposit boxes for customers.

The new branch also features screens displaying new services, upgrades and available offers, in addition to spaces for holding meetings, all embraced in a modern design to ensure an exquisite and convenient banking experience for customers. NBK continues to strengthen its leading position in the banking sector, boasting the largest domestic banking network in Kuwait with 67 branches all over Kuwait, in addition to a large POS network exceeding 15,000 terminals, including the largest market share of NFC-enabled POS terminals in Kuwait.



BALTIMORE, US: Trucks transport cargo containers at the Port of Baltimore in Baltimore, Maryland. — AFP

How Washington could fight America's record inflation

WASHINGTON: With US prices rising at a rate not seen in decades, President Joe Biden's administration is looking for ways to turn the tide. From relaxing tariffs on China to addressing the semiconductor shortage, there are many actions Washington could take to keep price increases in check. However, analysts warn that few will offer immediate relief from the price surge that has struck the world's largest economy this year as it bounces back from the COVID-19 pandemic:

Roll back China tariffs

Under former president Donald Trump, the United States imposed tariffs on Chinese products worth \$370 billion in 2018, citing trade practices Washington deemed unfair. The Biden administration has kept those tariffs up, but announced it would review trade strategy towards China, as well as begin a process for some US firms to receive exemptions from the levies they say drive up costs.

China is the top supplier of goods to the United States, and Biden could choose to relax the tariffs further to address the price increases, which the Labor Department put at a year-on-year rate of 6.2 percent in October. In a Sunday interview with CBS, Treasury Secretary Janet Yellen was noncommittal about changing tariff policy, but acknowledged that "it would make some difference."

"Tariffs do tend to raise domestic prices," she said. Jay Bryson, chief economist for Wells Fargo's corporate and investment bank, said a tariff rollback would help "at the margins" and lower the costs of some goods, but wouldn't strike the death blow against inflation Biden may be looking for.

Sort out supply chains

Even if tariffs were dropped, the United States would still have to deal with snarls at its ports. Ships have idled off the coasts of Los Angeles and Savannah, Georgia for months waiting for cargo to be offloaded, raising fears of disruptions to the holiday shopping season. The reasons for the broken supply chains are many, and Biden has attempted to address them by pushing the Port of Los Angeles to provide 24-hour service, as well as getting Walmart, FedEx and UPS to work extended hours to clear backlogs. The White House has said the \$1.2 trillion infrastructure bill Biden is set to sign on Monday will dedicate funds towards modernization projects that can further aid ports.

But Senior US Economist at Capital Economics Andrew Hunter wasn't so sure. He warned that the overhaul, along with a \$1.85 trillion effort to expand US social services Biden is pushing Congress to pass, "aren't going to do anything to contain inflation now, and could even increase it further if they result in a further fiscal expansion in the near term, which boosts demand."

Stimulate semiconductor production

American factories have struggled in recent months to secure semiconductors, with the auto sector particularly hard hit. The slowdown in new car production is

a factor in the surge in used car prices that has pushed overall inflation higher, while the efforts of rental car companies to rebuild their fleets has also played a role. Biden earlier this year met with leading CEOs in the semiconductor industry, and looked for ways to work with the European Union on addressing the shortages in a September summit.

Pressure the Fed

The branch of the US government best equipped to handle inflation is the Federal Reserve. However, its tools are blunt: the central bank could hike rates from their zero level, but doing that with the economy still bouncing back from the pandemic could spur a recession. Its top officials have also made clear there will be no rate hike until the Fed finishes winding down its monthly asset purchases, which is predicted to conclude in the middle of next year. "To the extent that (inflation) is being caused, at least partially, by supply constraints, there's very little the Fed can do about that. The Fed can't make more computer chips," Bryson said. Fed Chair Jerome Powell and other top officials are appointed by the White House but act independently, meaning that even if Biden wanted to change US monetary policy now, the decision is not his to make. — AFP

HK leader defends US bank head quarantine exemption

HONG KONG: Hong Kong's leader yesterday defended allowing the head of JP Morgan Chase to skip a three-week Covid quarantine imposed on most other visitors, saying he worked for "a very big bank". The comments came as Hong Kong also announced more than 100 cargo pilots had been ordered into mandatory quarantine and that the city was at risk of running out of air crew.

JP Morgan CEO Jamie Dimon landed on Monday for a 32-hour whirlwind tour without undergoing the usual 21-day hotel quarantine even as the international business hub tightens restrictions to adhere to China's "zero-COVID" strategy. Earlier this year HSBC's boss was forced to undergo a full quarantine during a trip to the city.

"As far as I know the reason was economic," Hong Kong's chief executive Carrie Lam told reporters when asked why Dimon had been given a rare exemption. "After all it's a very big bank with important businesses in Hong Kong," she said, adding that the risk of transmission was low because Dimon's itinerary was short. Hong Kong has maintained some of the world's harshest quarantine measures and travel restrictions during the pandemic.

The strategy has kept infections low but ensured a business hub that dubs itself "Asia's World City" has been cut off internationally for the past 20 months.—AFP

'Politics, politics, politics' as Biden searches for Fed leader

WASHINGTON: There are few apparent policy differences between the two top candidates to lead the US Federal Reserve, but that doesn't mean the decision will be an easy one for President Joe Biden.

He could reappoint Jerome Powell, a Republican who has won praise from officials in Biden's Democratic administration, or oust him in favor of Lael Brainard, whom progressive Democrats believe would be tougher on banking regulation. "It's politics, politics, politics," said Jay Bryson, chief economist for Wells Fargo's corporate and investment bank.

Biden met with both candidates recently, according to US media, and a decision could come as soon as this week. Regardless of whom he chooses, economists say the central bank is unlikely to shift its policies anytime soon, as a wave of inflation hampers the economy's recovery from the pandemic downturn and sends Biden's approval rating slumping. "In terms of monetary policy, we think there's very little daylight between Powell and Brainard," Bryson said.

Change or continuity?

Under Powell, the Federal Reserve has been at the center of the country's response to the pandemic, slashing its benchmark lending rate to zero and pledging to keep it there for longer than normal to help the economy regain maximum employment. But a price surge that saw the Labor Department's consumer price index register its biggest year-on-year jump in more than three decades last month has added pressure on the monetary institution. Biden's Treasury Secretary Janet Yellen, who was also Fed Chair, has signaled her support for her former deputy to serve a second term. "I've said that I think Chair Powell has done a very good job of running the Fed," she told CBS in a Sunday interview.

But she added, "What's important is that President Biden choose someone who's experienced and credible and there are a range of candidates." Brainard is the only

registered Democrat on the Fed board from which Biden must choose the next leader, and progressive Democrats believe she would be tougher on banking regulation.

Economist Joel Naroff said Brainard could indeed choose to slow some easing of regulations on big banks. But one of the Fed's two mandates is controlling prices, and when it comes to that, it's unclear where her views differ from Powell's. "The only alternative policy at this point is to start raise rates right away," Naroff said, "which would likely decelerate demand and the economy overall. "And what does that accomplish? I'm not sure."

Temporary inflation

Biden also must fill an opening on the board and the position of Vice Chair, since Richard Clarida's term in office expires on January 31, as well as that of first vice chair overseeing banking supervision, which Randal Quarles said he would resign at the end of December. The new team will be at the forefront of Washington's fight against inflation.

Fed leaders have said the price increases will level off over time, and the bank won't raise its rates until it finishes tapering its monthly purchases of bonds and securities to help the economy recover from the downturn, likely in the middle of next year. Both Powell and Brainard are inflation "doves," inclined to keep rates lower for longer, Bryson said. He predicts control of the central bank will likely come down to politics. Powell, who took office in 2018 after then-president Donald Trump declined to give Yellen a second term as Fed chair, would likely attract both Democratic and Republican votes in the Senate confirmation process.

Brainard may also win approval in the Senate, which Biden's Democratic party narrowly controls, but Bryson said her path is more uncertain. "Does President Biden want to risk a big confirmation fight with everything else he has on his plate? It's a political decision here and I'm not sure how its going to break," he said. — AFP



EU urges Switzerland to show 'political will' on pact

BRUSSELS: The EU Monday urged Switzerland to show whether it still wants a far-reaching cooperation agreement with the bloc, months after the Swiss government stormed away from the negotiation table. European Commission Vice President Maros Sefcovic warned "it takes two to tango" following talks with Swiss Foreign Minister Ignazio Cassis, the first high-level sit-down since years of negotiations suddenly collapsed in May.

EU-Swiss ties are currently governed by a patchwork of agreements, and for the past 13 years both sides have attempted to sign an overarching accord that would rule on all aspects of relations. But in a mirror of the bloc's post-Brexit feuds with Britain, Swiss

officials are reluctant to meet EU demands for budget contributions and alignment on European rules as the price to keep free access to the vast EU market.

The talks hit an impasse after the EU refused to budge on Swiss demands to exclude key issues relating to state aid, wage protections and freedom of movement from the pact. "What we now need from Switzerland is the unambiguous political will to engage with us on the real issues that count and a credible timetable," said Sefcovic.

"In other words, any political dialogue must be focused and substantial. It cannot be an empty shell," he added. Sefcovic said technical talks would intensify and he would meet his counterpart again next January in Davos with the aim of finalizing a timetable and confirming that the talks were back on track.

Switzerland is the EU's fourth biggest trading partner after China, the US and Britain. The EU is Switzerland's biggest trading partner. Sefcovic, a former Slovak MEP, also oversees the bloc's tumultuous ties with London. The EU and UK are on the cusp of a damaging trade war over Northern Ireland and fishing rights. — AFP